

will not be raised to pay the bill, fortunately. There will be no offsets or spending reductions to pay the bill. Welfare and entitlement spending is sacrosanct, spending for the war in Iraq and the military industrial complex is sacrosanct, but there is no guarantee that gracious foreign lenders will step forward, especially without raising interest rates. This means the Federal Reserve and the Treasury will print the money needed to pay the bills.

The sad truth is that monetary debasement hurts the poor people the most, the very people we saw on TV after Katrina. Inflating our currency hurts the poor and destroys the middle class, while transferring wealth to the ruling class. This occurs in spite of the good intentions and the misplaced compassion.

We face a coming financial crisis. Our current account deficit is more than \$600 billion annually. Our foreign debt is now more than \$3 trillion. Foreigners now own over \$1.4 trillion of our Treasury and mortgage debt. We must borrow \$3 billion from foreigners every business day to maintain our extravagant spending. Our national debt is now increasing over \$600 billion per year; and, guess what, we print over \$600 billion per year to keep the charade going. The national debt is approaching \$8 trillion, but there is a limit, and I am fearful we are fast approaching it.

Runaway inflation is a well-known phenomenon. It leads to political and economic chaos of the kind we witnessed in New Orleans. Hopefully, we will come to our senses and not allow that to happen, but we are vulnerable, and we have only ourselves to blame.

The flawed paper money system in existence only since 1971 has allowed for the irresponsible spending of the past 30 years. Without a linkage to gold, the Washington politicians and the Federal reserve have no restraints placed on their power to devalue our money by merely printing more to pay the bills run up by the welfare-warfare State.

This system of money is a big contributing factor in the exporting of American jobs, especially in the manufacturing industries.

Since the last link to gold was severed in 1971, the dollar has lost 92 percent of its value relative to gold, with gold going from \$35 an ounce to \$450 per ounce.

A major adjustment of the dollar and the current account deficit can come anytime, and the longer the delay the greater the distortions will be in terms of a correction. In the meantime, we give leverage to our economic competitors and our political adversaries, especially China.

The current system is held together by a false confidence in the U.S. dollar that is vulnerable to sudden changes in the economy and political events.

This is my suggestion to my colleagues. Any new expenditures must

have offsets greater in amount than the new programs. Foreign military and foreign aid expenditures must be the first target. The Federal Reserve must stop inflating the currency merely for the purpose of artificially lowering interest rates to perpetuate a financial bubble.

This policy allows government and consumer debt to grow beyond sustainable levels, while undermining incentives to save. This, in turn, undermines capital investment, while exaggerating consumption. If this policy does not change, the dollar must fall, and the current account deficit will play havoc until the house of cards collapse.

Our spending habits, in combination with our flawed monetary system, if not changed will bring us a financial whirlwind that will make Katrina look like a minor storm. Loss of competence in the dollar and the international financial system is a frightening possibility, but it need not happen if Congress can curb its appetite for buying the people's support through unrestrained spending.

If Congress does not show some sense of financial restraint soon, we can expect the poor to become poorer; the middle class to become smaller; and the government to get bigger and more authoritarian—while the liberty of the people is diminished. The illusion that deficits, printing money, and expanding the welfare and warfare states serve the people must come to an end.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

(Mr. BROWN of Ohio addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

#### RECOGNIZING THE ARMENIAN GENOCIDE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. SCHIFF) is recognized for 5 minutes.

Mr. SCHIFF. Mr. Speaker, today, in the Committee on International Relations a remarkable thing happened. Not one but two resolutions recognizing the facts of the Armenian genocide passed out of the committee with strong bipartisan support, indeed with the support of both the gentleman from Illinois (Mr. HYDE), the chairman, and the gentleman from California (Mr. LANTOS), the ranking member.

One of those resolutions I introduced to recognize the first genocide of the 20th century, the genocide which claimed the lives of 1.5 million Armenian men, women and children. The facts of that genocide are clear. The facts of genocide are incontrovertible. They are borne out in thousands of pages of documents in our own archives. They are borne out in the words and the transmitted telegrams of our Ambassador, Henry Morgenthau, at the time.

The only obstacle that the Congress has faced, and it has been a formidable one, in recognizing the Armenian genocide is the resistance of the Republic of Turkey, the well-documented efforts of its powerful lobbyist, and the feeling of some that, by recognizing what all historians have recognized, that we will somehow jeopardize our relations with an ally.

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I have never taken issue with the fact that Turkey is an ally to the United States. It is an ally. It is at a strategic crossroads. It is an important member of NATO. At the same time, we cannot equivocate about the murder of 1.5 million people; and the differences that we have had with Turkey, and they have been considerable, over a whole host of issues have not ruptured our relationship.

During the run-up to the Iraq war, many of my colleagues will remember, we sought the permission of Turkey to allow American and Coalition ground forces to enter Iraq through Turkey. The Turkish Parliament voted on that, and they voted against it. That was of enormous significance to this country.

As a result of that, we could not open that second northern front; as a result of that, many melted away to the Iraqi population, many of the insurgents that we now fight with so bitterly. That had enormous consequences, but it did not end the relationship with the United States, and recognition of the historic facts of the genocide will not end the relationship with Ankara, either. There are strong mutual interests at stake which will transcend the recognition of the historic facts.

In the past, American leaders have recognized the genocide. Ronald Reagan spoke eloquently of the facts of the genocide. Winston Churchill in his memoirs documents the murder of hundreds of thousands of Armenians in a crime at the time that was unequalled. Yet here we are, fresh from recognizing, as indeed we should and as indeed we must, the genocide going on in Darfur, but unwilling to recognize the murder of 1.5 million Armenians.

What does that say about American policy? Can our policy be that we will recognize genocide when it is committed by the politically impotent, as in the case of Sudan, but not in the case of the politically powerful as in the case of the Ottoman Empire and its Turkish successors? This certainly cannot be the policy of the United States. We must recognize unequivocally that, beginning in 1915, 1.5 million people were murdered merely because of who they were as a people, the very definition of genocide.

With the passage of these resolutions, with the support of the chair and the ranking member, with the overwhelming support on both sides of the aisle in committee, I hope that we can get a vote on the House floor, something we have not had in more than a decade, so that we can once again reestablish the moral authority and clarity